

AMENDMENT NO. 428

Mr. MCCAIN. Mr. President, I am proud to have cosponsored amendment No. 428, which will significantly reduce fraud, abuse, and waste in the Medicare system. This is an issue which I have been working on for many years and I am pleased to have been joined in this battle to combat fraud and abuse in our health care system by my colleague from Iowa, Senator TOM HARKIN.

This important amendment introduced by Senator HARKIN incorporates portions of my legislation, the Medicare Whistleblower Act S. 235, which would assist Medicare beneficiaries with identifying provider fraud in the Medicare system.

Over and over again, I have heard from seniors about their personal experiences with fraudulent and negligent billings throughout the Medicare Program. Many of these seniors say that their Medicare bills frequently include charges for medical services which they never received, double billings for a specific treatment, or charges which are disproportionate and severely marked up. Usually, most of these seniors have no idea what Medicare is being billed on their behalf, and they have no way to obtain a detailed explanation from the Medicare providers.

These personal stories from senior citizens are confirmed by analyses and detailed studies. According to the General Accounting office, fraud and abuse in our Nation's health care system costs taxpayers as much as \$100 billion each year. Medicare fraud alone costs about \$17 billion per year which is about 10 percent of the program's costs.

This is quite disconcerting, especially in light of the financial problems facing our Medicare system.

A fundamental problem with the Medicare system is that most beneficiaries are not concerned with the costs of the program because the Government is responsible for them. One of my constituents shared with me an experience he had when his provider double-billed Medicare for his treatment and the provider told him not to be concerned about it because "Medicare is paying the bill." This is an outrage and we cannot allow this flagrant abuse of taxpayer dollars to continue. Remember, when Medicare overpays, we all over-pay, and costs to beneficiaries and the taxpayers spiral while the financial sustainability of the program is violated.

The amendment addresses this fundamental problem in the Medicare program by strengthening the procedures for detecting and identifying fraud and waste in the Medicare system. Beneficiaries would be given the right to request and receive a written itemized copy of their medical bill from their Medicare health care provider. This itemized bill should be provided to the beneficiary within 30 days of the provider's receipt of their request. If anyone knowingly fails to provide a bene-

ficiary with an itemized bill they will be subject to a civil fine. Once the beneficiary receives the itemized bill they would have 90 days to report any inappropriate billings to Medicare. The Medicare intermediaries and carriers would then have to review the bills and determine whether an inappropriate payment has been made and what amount should be reimbursed to the Medicare system.

I recognize that provider fraud is not the sole source of waste and abuse in the Medicare system, and I wholeheartedly support other initiatives which address beneficiary fraud. However, studies indicate that provider fraud is most prevalent and the greatest concern for the system, making initiatives such as this one which specifically target provider fraud very important.

It is imperative that we put an end to the rampant abuse and fraud in the Medicare system. I wholeheartedly believe that this provision would contribute significantly to this effort.

Mr. LIEBERMAN. Mr. President, the reconciliation bill contains provisions that impact most of the programs and services provided by the Federal Government. Few people in the United States are not touched in some way by the changes we have voted for during this debate. I would like to touch upon just a few of the provisions.

The bill includes significant progress toward protecting the Medicare Program. Without the changes included in this legislation, the Medicare trust fund would go bankrupt in 2001. The changes include the first major structural changes to Medicare in its 30-year history. The Senate bill modernizes Medicare by offering seniors the option of choosing from among a range of quality private health plans in addition to existing fee-for-service Medicare. It includes important new health insurance coverage for the Nation's children. It returns a degree of protection for people who live and work in our country, but because of foreign birth are not citizens of the United States.

The bill makes substantial advances in ensuring that Medicare and Medicaid beneficiaries can get comparative information to help them choose the best available health care plan for their needs. An amendment I sponsored with Senators CHAFEE, JEFFORDS, KERREY, BREAU, WYDEN, and KENNEDY requires that includes comparative information on benefits, cost sharing, premiums, service area, quality and performance including disenrollment, satisfaction, health process and outcomes, grievance procedures, supplemental benefits, and physician reimbursement method be provided to Medicaid recipients in managed care. In many cases, Medicaid managed care plans have significant differences in the treatment of asthma, immunization, heart disease, diabetes, and other problems endemic to the Medicaid population. This amendment should assist Medicaid beneficiaries in choosing

high-quality plans, and through competition among plans, increase the quality of all.

The bill also included an important demonstration program for Medicare based on the Government's own employee health care plan. That demonstration program includes provisions to improve the quality of health care for Americans based on a bill I sponsored, S. 795, the Federal Health Care Quality, Consumer Information and Protection Act.

The dramatic drive of millions of people into managed care was all geared toward stopping unacceptable cost increases in healthcare. Now cost increases have slowed and it is time to focus on quality. Congress has made some initial, spasmodic efforts, such as last year's drive-through delivery legislation. The health care quality provisions in this demonstration program represents an effort to take a more comprehensive and durable approach to improving health care quality.

The Government has a powerful tool we think has gone unused—its purchasing power. The Federal Government is the single biggest purchaser of health care in the country. If we use that purchasing power wisely, the quality of health care in the country will be pulled upward dramatically. If we don't, the Federal Government will drag down the efforts the private sector is making to improve their employee's quality of health care.

If the bill passes, the Government will only purchase Medicare coverage in this demonstration program that satisfies two requirements:

First, plans will have to provide information that allows people to make straightforward plan-to-plan comparisons of health care quality. With that information, Medicare beneficiaries could look up the plans in their area to see which had the best record of care for the elderly. Empowering consumers with comparative quality information would force health care plans to compete continuously and aggressively on quality resulting in ongoing health care improvements.

Second, all health care plans in the demonstration would have to meet certain minimum criteria or they couldn't be purchased by the Federal Government. Setting uniform federal criteria provides a powerful tool to address quality issues that emerge from the rapidly evolving health care industry. Existing accrediting agencies like the National Committee on Quality Assurance [NCQA] or the Joint Commission on Accreditation of Healthcare Organizations [JCAHO] could be licensed to certify that the health care plans are in compliance with the minimum criteria which should minimize bureaucratic duplication.

Finally, to hold this proposed system together and prevent the standards from becoming outdated, an Office of Competition is created within the U.S. Department of Health and Human